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PHILADELPHIA BULLETIN

A bitter feud paralyzes th

CIA The war inside the CIA

A war rages within the CIA over whether Russian turncoat Yuri Nosenko was sent to cover Oswald's Soviet link. First in a series.

by JOSEPH R. DAUGHEN
and JOHN J. FARMER
Of The Bulletin Staff

Yuri Nosenko, a lieutenant colonel in the KGB, the Russian secret police, liked his liquor. He already had downed four or five scotches by the time he arrived at the apartment house in suburban Geneva on Jan. 23, 1964.

But this time his need for fortification was understandable.

Yuri Nosenko was on his way to defect to the United States.

Waiting for Nosenko inside the "safe house" was Tennent H. (Pete) Bagley, chief counterspy for the Central Intelligence Agency's Soviet Russia Division. Bagley had been CIA station chief in Switzerland when Nosenko sneaked away from a Geneva disarmament conference in June 1962 to volunteer his services as a double agent for the United States, and he had been the Russian's case officer ever since.

At first, Bagley believed the Soviet defector's offer to return to Moscow as a spy for America was the biggest coup of his 12-year intelligence career. But by 1964, he suspected Nosenko was a KGB plant, a "disinformation" agent dispatched to divert attention away from possible Russian penetration of the upper levels of the CIA and to absolve the Soviet Union of any complicity in the assassination of President John F. Kennedy by Lee Harvey Oswald two months earlier.

These suspicions — some CIA sources told The Bulletin they amounted to "obsessions" — led to the most savage internal war in the agency's history. Reputations were shattered as the CIA's espionage ability was used against its own officers in the fight over Nosenko's legitimacy.

Most disquieting was the question raised by Nosenko's sudden and unexpected decision to abandon his wife and two children, and his role as a CIA agent "in place," to seek U.S. asylum: Had the KGB succeeded in placing a double agent, a "mole," high up in the CIA? It is a question that is still being asked today.

Promoted to deputy

Until Nosenko, Bagley's prospects in the CIA appeared unlimited. Blond and handsome, he was 39 when the Russian decided to defect, and he would shortly be promoted to deputy chief of the Soviet Russia Division. One of his bosses, Richard Helms, then second-in-command of the CIA and a future director of the agency, told associates that Bagley one day would head the CIA.

Bagley, who attended Princeton and obtained a doctorate in political science from the University of Geneva, came from a distinguished family. His late father, Adm. David W. Bagley, was a hero in both world wars. His two brothers, David and Worth, followed their father into the Navy and also became admirals.

Pete Bagley, however, chose the twilight world of the spy and his career, which flourished for a decade, ultimately was snuffed out in a kind of corporate struggle within the CIA over Nosenko. Until now, Bagley's involvement in the Nosenko Affair, and the fact that it cost him his job, has been kept secret.

But more than 15 years after Bagley reluctantly smuggled the Russian from Geneva to Frankfurt by car — hiding him on the floor in the rear passenger compartment — and hence to the United States, the Nosenko Affair lives on. The war within the CIA over whether Nosenko is a legitimate defector or a fake has claimed the careers of high-ranking officers on both sides of the battle, aroused passionate hatreds among men once sworn to work together anonymously for the good of the country, and has contributed to the paralysis that grips the agency.

Among the indirect casualties was James Jesus Angleton, the CIA's legendary chief of Counterintelligence (CI), and his entire top staff. Angleton, 62, set up the agency's counterintelligence operation in 1954 and presided over it with compulsive concern about the KGB's power until he was fired on Dec. 20, 1974, by former CIA Director William Colby, his arch-enemy.

Angleton's job was to detect and prevent any attempt to penetrate the CIA by foreign powers, particularly the Russians. He and his staff, along with Bagley, became convinced that Nosenko was part of just such an attempt. Specifically, they believed Nosenko had been dispatched by the KGB to discredit evidence of a high-level Soviet penetration of CIA they had received from another defector.

But though they established that Nosenko lied repeatedly, starting from the day he announced his planned defection, they were unable to prove he was still controlled by the KGB. Nosenko's champions in the agency — and they are many — prevailed. The CIA has ruled that Nosenko officially was cleared as a legitimate defector in 1968, even though Richard Helms, who was the agency's director at that time, says he never authorized such a clearance.

In fact, says Helms, he has never been able to decide if Nosenko is legitimate.

Nevertheless, Nosenko, 51, has been paid more than $500,000 by the CIA, provided with a house in North Carolina and a new identity, and serves as a $35,000-a-year consultant to the agency. He has regular access to the agency's seven-story headquarters in Langley, Va., and lectures new agents. Ironically, his subject is Angleton's forte — counterintelligence — and he is paid with funds drawn from the Counterintelligence section.

But more than 10 years after CIA says Nosenko's bona fides were accepted, the bitter battle still rages. In an extraordinary display of venom, an official representative of

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Angleton — although not by name — of being motivated by "sick think."

And other CIA sources, identifying the two men by name, said that Bagley is "paranoid" on the subject of Nosenko and denounced Angleton for committing "one of the greatest and most shameful blunders in intelligence history."

When Bagley first met Nosenko in June 1962, he was impressed by the information the Russian offered and on June 11, he wired Langley: "Subject has conclusively proved his bona fides. He has provided info of importance and sensitivity."

Four days later, Bagley returned to Washington and met with Angleton. At that time Angleton was "running" another KGB turncoat, Anatoli Golitsin, who had defected in Helsinki in December 1961. Among other things, Golitsin had told Angleton that the Soviets had a "mole" near the top of CIA.

In testimony delivered last November to the House Assassinations Committee under a pseudonym — to protect his identity — Bagley said he compared Golitsin's information with that supplied by Nosenko. In at least a dozen cases, he said, Nosenko's information overlapped with and "tended to negate or deflect" Golitsin's material.

"The matters which overlapped were serious ones, including a specific lead to penetration of CIA," said Bagley. And where Nosenko had provided leads of his own, such as the placement of microphones in the walls of the U.S. Embassy in Moscow, said Bagley, Golitsin had provided similar information six months earlier.

In short, Bagley charged that Nosenko provided no new information and had tried to divert the CIA from evidence of Soviet penetration of the agency.

Thus, when Nosenko arrived in the "safe house" in Geneva in January 1964, Bagley was ready to believe he was a disinformation agent bent on creating chaos in the American intelligence community.

He was not, however, prepared for two matters which Nosenko raised. The first was the Russian's demand that he be permitted to defect immediately. Bagley has said this surprised him because, 19 months earlier, Nosenko vowed he would never leave Russia and his family.

The second was Nosenko's startling disclosure that he personally reviewed Lee Harvey Oswald's 1959 application for permission to live in the Soviet Union, participated in the [illegible] Russian visa filed in Mexico City shortly before the Kennedy assassination, and reviewed Oswald's KGB dossier after the assassination.

What's more, Nosenko said the KGB never bothered to interview Oswald, had no interest in him, and never learned that he had been a radar operator at Atsugi Air Base in Japan, a launch point for U-2 spy plane flights over the Soviet Union. In short, Nosenko was putting great distance between Oswald and the KGB, emphasizing that the assassin had no connection with the Soviet Union.

"The KGB never bothered to talk to him, not even once, not even to get an idea whether he might be a CIA plant," Bagley said, in a prepared defense of his handling of the case. "Can this be true? Could we all be wrong in what we've heard about rigid Soviet security precautions . . .? Of course not. Oswald's experience, as Nosenko tells it, cannot have happened."

It is a story that Nosenko has never swerved from. He even volunteered to testify to his knowledge of Oswald to the Warren Commission investigating the assassination, but Helms effectively prevented that by visiting Chief Justice Earl Warren. Nosenko's name does not appear in the voluminous Warren Commission report.

"I told him we were not able to satisfy ourselves that the man was what he was purported to be . . . that what he had to say about the Oswald case didn't make sense to us," Helms testified to the House Assassinations Committee last September 22. "This is the issue which remains, as I understand it, to this very day, that no person familiar with the facts, of whom I am aware, finds Mr. Nosenko's comments about Lee Harvey Oswald and the KGB to be credible . . . this tends to sour a great deal of one's opinion of all the other things that he may have contributed to the knowledge of the intelligence community."

Nosenko's sudden decision to defect, the striking coincidence of his claimed involvement with the Oswald case, and the implausibility of his story about the KGB's lack of interest in the assassin strengthened Bagley's suspicion that the Russian was a plant. He tried to persuade Nosenko to return to the Soviet Union and continue acting as an agent in place.

But Nosenko returned to the safe house on Feb. 3, 1964, and insisted he had to defect at once because Moscow [illegible] day ordering him home. This could mean only one thing: The KGB had discovered his treachery and was waiting to execute him.

Faced with this situation, Bagley contacted Helms and was given permission to smuggle Nosenko out through Frankfurt. Among the CIA officers in Frankfurt at that time was John Paisley, a science and technology expert who spoke Russian and who became acquainted with Nosenko. Fifteen years later, Paisley's strange death and his relationship with Nosenko would intensify the beliefs of some that the CIA has indeed been penetrated by a "mole."

Questioned by FBI

Nosenko was transported to the Washington area and placed in a CIA house on Feb. 12. He was questioned by FBI agents, who accepted his version of the Oswald story (which tallied with the FBI theory of a single assassin), and by Bagley and Angleton's staff, who grew more suspicious as additional inconsistencies arose. Then it was learned from the National Security Agency, which monitors electronic communications traffic around the world, that Nosenko never received the claimed telegram ordering him home.

"He lied about the telegram," a CIA source who believes Nosenko is legitimate told The Bulletin. "But that was perfectly understandable. We wanted to keep him in place and he wanted to defect, to come over here. He told us a completely false story about the telegram. We later found out there was no such telegram from NSA, which was covering all traffic between Moscow and Geneva."

If Nosenko had been a plant, this source said, the KGB would have supplied the telegram to protect his cover story.

But Bagley, Angleton and Newton S. (Scotty) Miler, then the operations chief of Counterintelligence, had become convinced that Anatoli Golitsin was telling the truth when he said the CIA had been penetrated and Nosenko had been dispatched to cover it up. Nosenko, they felt, could uncover the "mole."

"I've handled a couple dozen defectors and there is a common pattern," a CIA official who was closely involved in the Golitsin matter told The Bulletin. "One, they all want to get to the top. Golitsin was particularly obstreperous. There came a time when he wanted to talk to only the President. Second, they all inflate their importance. Third, they try to tell you what they think you want to hear.

"Golitsin was turned over to Eric Timm, who was chief of the Europe Division, and to CI (Counterintelligence), which was Angleton. Timm found that Golitsin was impossible. In effect, that's when Angleton took the case over."

Dinner with Dulles

This source said that Angleton arranged for Golitsin to meet with Robert Kennedy, who was then attorney general. In a further effort to keep the defector happy, he said, a dinner was arranged with Allen Dulles, the former director of the CIA, at Dulles' Georgetown house.

"Dulles was out as director by then, but he was working on a theory of penetration of the CIA," the source said. "During the dinner, Dulles asked Golitsin a couple of times about penetration of the agency. Golitsin insisted he never heard anything of the sort.

"We put him back on the shelf. About one month later, he started talking about penetration. He put descriptions together about the kind of guys we should be looking for. CI got all excited. Golitsin got a little more specific about the type of jobs that were penetrated, but no names, nothing like that.

"Then Angleton made one of the greatest and most shameful blunders in intelligence history. He started turning over CIA personnel files to Golitsin to see if he could come up with what is now called a mole. He came up with two names on the most fragmentary evidence, because of where they'd been and what their jobs were.

"These two fellows were put under a cloud. They were recalled and [illegible] lengthy investigation. Only after several years were these fellows rehabilitated. It was shameful. Two outstanding officers had their careers ruined.

"I asked Angleton about it later and he said, well, there are hazards in the intelligence business."

Angleton did not respond to repeated requests for an interview.

Arrested by CIA

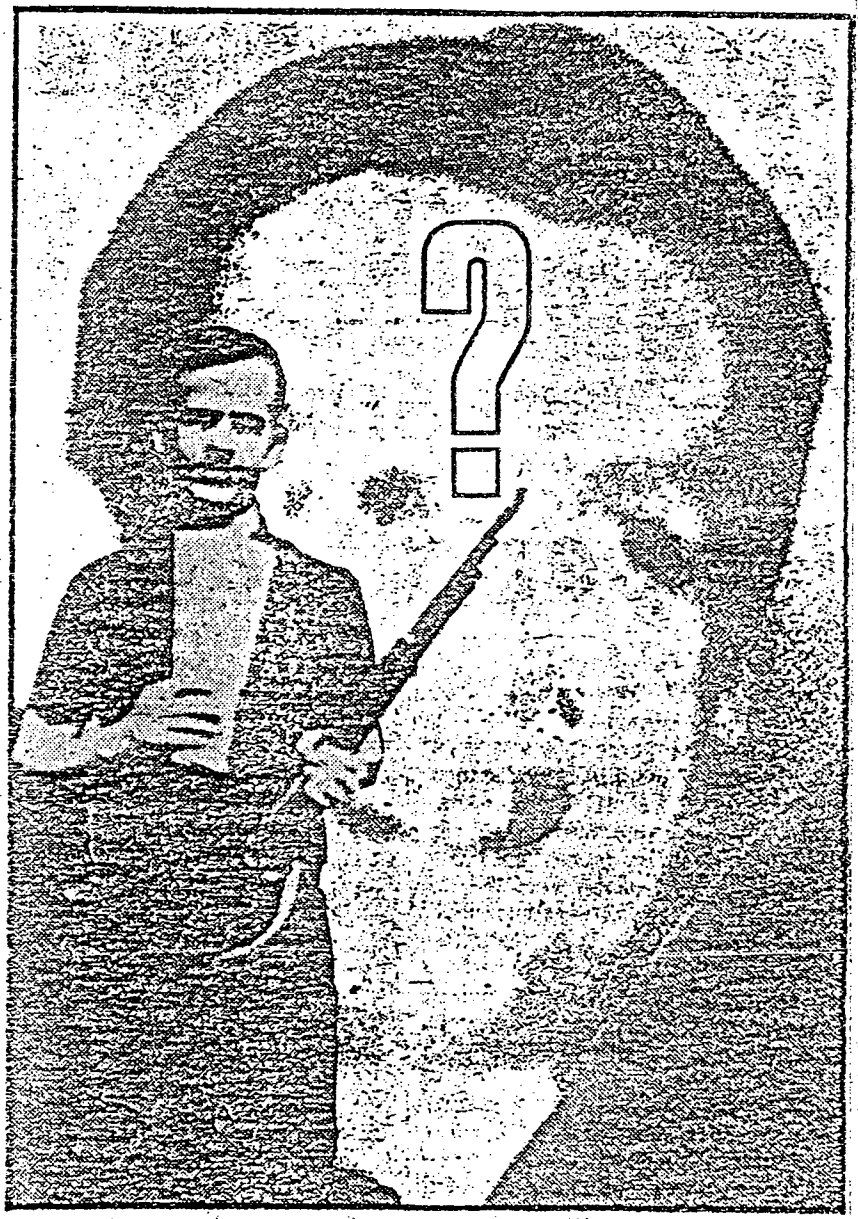
On April 4, 1964, less than two months after he arrived here, Nosenko was, in effect, arrested by the CIA and treated as a hostile agent. He was given a lie detector test that day, which he flunked, and he was immediately placed in a cell in suburban Washington until a special facility to accommodate him was built.

This facility, according to the current CIA administration, was "comparable" to a 10-by-12-foot bank vault, with no windows and a light bulb that burned continuously. Nosenko was not permitted to have a radio, television or any reading material. This was to be his home and his life-style for the next three years.

In a statement to the House Assassinations Committee, Nosenko described his imprisonment this way:

"I was smoking from 14 years old, never quitted. I was rejected to smoke. I didn't see books. I was sitting in four walls, metal bed in the center of the room and that is all. I was hungry. . . . I was sitting some kind of attic; it was hot, no air-conditioning, cannot breathe; windows — no windows, closed over. I was permitted to shave once a week, to take showers once a week. . . . I passed through hell. . . . I was true defector: I never raised this question with correspondents. I never went in press, because I am loyal to the country which accepted me."

Nosenko sat in his cell, in isolation, under constant observation, from April 1964 until October 1967. Then, even though he continued to insist the KGB had shown no interest in Oswald and even though inconsistencies in his story persisted, the tide began to turn in his favor.



Bulletin Graphics

Soviet defector or spy Yuri Nosenko (background) says he refused the 1959 application of Lee Harvey Oswald (inset) to live in USSR.

Action of political defector called 'emotional suicide'

Political defectors commit a form of "emotional suicide" when they abandon their country, said a onetime top CIA operations officer.

Artists like ballet dancer Mikhail Baryshnikoff and writer Alexander Solzhenitsyn can leave the Soviet Union and enjoy public acclaim and wealth here. But defectors like Yuri Nosenko, who bring with them military secrets, exist in the shadows, fearful of being targets for retaliation.

According to this CIA officer, most political defectors are motivated by one of three reasons.

"The primary reason people defect is because they weren't promoted," he said. "The second reason is that they really hate their wives. The third is because they believe our system is better than theirs, but this group is a very small minority."

The war inside the CIA

The story of the secret war within the CIA is based on Bulletin interviews with intelligence experts, some of whom requested anonymity, and an examination of government records and documents, some never before published. This is the second of a five-part series.

From a penned-up defector to CIA intelligence 'asset'

By JOSEPH R. DAUGHEN
and JOHN J. FARMER
Of The Bulletin Staff

Langley, Va. — The Central Intelligence Agency never did get Yuri Nosenko to break and confess to being a KGB (Soviet secret police) "plant" even though it kept the Russian defector in isolation in a windowless cell for more than three years.

But the Nosenko Affair did break the CIA men who tried to prove the Russian was a spy dispatched here to cover up links between Soviet intelligence and Lee Harvey Oswald, President Kennedy's assassin.

Nosenko's handlers also believed he could answer the question that plagues the CIA to this day: Has the agency been penetrated at a high level by a KGB "mole," a double agent working for the Soviet secret police?

Through the long years of interrogation, numerous inconsistencies and outright lies were uncovered in Nosenko's story, but on two points the Russian remained firm: The KGB had never talked to Oswald and showed no interest in him, even though he had lived in the Soviet Union for 32 months, and there was no mole inside the CIA.

By the spring of 1967, three years after Nosenko's defection, Tennent H. (Pete) Bagley, deputy chief of CIA's Soviet Bloc Division and Nosenko's case officer, was convinced the Russian was lying. So was James Jesus Angleton, the agency's eccentric and legendary chief of Counterintelligence.

"Fact piled upon fact creating a conviction on the part of every officer working on this operation that Nosenko was a KGB plant," Bagley said later, in a written defense of his handling of the case. Until now, Bagley's identity and his role in the Nosenko Affair have been a secret. Bagley also said:

"Among the implications underlying the very real possibility that Nosenko was planted on CIA by the KGB are these two: That Lee Harvey Oswald may have been a KGB agent. That there was KGB penetration of sensitive elements of the United States government."

Bagley and Angleton were influenced by Anatoli Golitsin, another KGB defector who came over before Nosenko. Golitsin told them Nosenko was a fake and he insisted the Soviets had penetrated the CIA.

Because of Golitsin's insistence, Angleton reportedly committed what one CIA source told The Bulletin was one of the "most shameful blunders" in espionage history. This source said Angleton gave the Russian access to secret CIA personnel files during the search for the mole, and Golitsin "fingered" two officers. Years later, after their careers had been ruined, the two officers were cleared, the source said.

"Golitsin denounced Nosenko as a plant, and they said, 'By God, we've got to break this guy (Nosenko),' " he said.

"But we got no confession," Bagley admitted later. "We had only professional, not juridical, evidence."

The effort by Bagley and Angleton and their staffs to secure "juridical" proof against Nosenko triggered a vicious, high-stakes secret war within the CIA. Reputations were blackened and careers ruined during that war and now, more than a decade later, the agency continues to be haunted by the profound implications for this nation's security that hang over the Nosenko Affair.

Today, Nosenko is considered a CIA "asset," an expert on Russian intelligence who lectures to recruits and has ready access to the agency's heavily-guarded Langley headquarters. He has been given a new home, a new identity, and been paid more than $500,000 by CIA.

Bagley, the son of a distinguished Navy admiral and a brother to two admirals, was stripped of his job as deputy chief of the Soviet Bloc (SB) Division, told his future was behind him, and was reassigned to Brussels in 1967. Until the Nosenko case, Bagley was considered a sure shot to reach the top in the agency, but he left in 1972 under CIA's "early retirement" program and has remained in Brussels.

Other changes

In 1968, David Murphy, head of the SB Division, was reassigned to Paris, and the Soviet experts under him who worked on the Nosenko matter were all transferred out. Angleton held on until December 1974, when he was forced to resign, and his top staff followed him out of the agency.

All this happened even though Richard Helms, CIA director at the time, refused — and still refuses — to accept Nosenko as a legitimate defector. Helms did not respond to

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requests for an interview, but in testimony a year ago before the House Assassinations Committee, he told how Nosenko was placed on the payroll in March 1969 despite the doubts about him.

"There were those in the agency who believed he was bona fide and there were those in the agency who did not," Helms said. "I never recall having resolved the case in my own mind one way or the other. My preoccupation at the time was to get Mr. Nosenko resettled. If there were those who felt there was a reasonable chance he was bona fide, that was all right with me, but as far as I am aware, I never signed off on any document or made any final decisions about his bona fides."

Helms made it clear, however, that he did not believe Nosenko's story that the KGB never interviewed Oswald, who had worked as a Marine radar operator at a U-2 spy plane base. "I find it quite incredible," he said. "This is the hardest thing about the whole Nosenko case to swallow and I have not been able to swallow it in all these years."

David Murphy put it more succinctly. "They will talk to a Marine about close-order drill," he said.

Because of this belief that Nosenko was lying about Oswald, Helms informed Chief Justice Earl Warren that the CIA could not vouch for the Russian's story. Warren therefore never called Nosenko to testify before the Warren Commission on Kennedy's assassination, leaving a gaping hole in that investigation that has provided fertile territory for conspiracy theorists. Nosenko's name does not appear anywhere in the Warren Report.

Helms, who was CIA Director from 1966 to 1973, explained the agency's dilemma in his testimony to the Assassinations Committee.

"If Mr. Nosenko turned out to be a bona fide defector, if his information were to be believed, then we could conclude that the KGB and the Soviet Union had nothing to do with Lee Harvey Oswald in 1963 and therefore had nothing to do with President Kennedy's murder," he said.

"If, on the other hand, Mr. Nosenko had been programmed in advance by the KGB to minimize KGB connections with Oswald, if Mr. Nosenko was giving us false information about Oswald's contacts with the KGB in 1959 to 1962, it was fair for us to surmise that there may have been an Oswald-KGB connection in November 1963, more specifically that Oswald was acting as a Soviet agent when he shot President Kennedy.

Important to know

"Thus, it became a matter of utmost importance to determine the bona fides of Mr. Yuri Nosenko. By the end of March (1964) it was clear to us that the task of evaluating Mr. Nosenko's credibility would not be easy."

It was at that time that Pete Bagley arranged for Nosenko's imprisonment. But despite his efforts over the next three years — efforts that included flirting with plans to murder Nosenko or commit him to an insane asylum, according to the current CIA administration — the Russian remained unshakeable and the case dragged on.

In the spring of 1967, Helms, impatient with the lack of progress, asked his deputy, the late Adm. Rufus Taylor, to resolve the matter. Taylor took the case away from Bagley and SB Division and turned it over to the Office of Security, under Howard Osborn, which normally was concerned with policing the agency's Langley headquarters and not with counterintelligence, which was handled by Angleton's section.

"Howard Osborn got Bruce Solie (a Security officer) to do the leg work, to go over it from A to Z," said a CIA source who believes Nosenko is a true defector. "Bruce Solie went over it and decided Nosenko was legitimate. His colleagues were unan[illegible]s in thinking Nosenko was basically on the level. At that point Bagley was told his future was over."

Bagley, who had been posted to Brussels as CIA station chief, nevertheless prepared a 900-page report (referred to at Langley as "the Thousand Report" because of its size) denouncing Nosenko as a fake. When the report was submitted in February 1968, it had been boiled down to 447 pages and it made these points:

1 — Nosenko did not serve in the naval reserve, as he had claimed. 2 — He did not join the KGB at the time nor in the manner he described. 3 — He did not serve in the American Embassy section of the KGB at the time he claimed. 4 — He was not a senior case officer or deputy chief of the 7th (tourist) Department, as he stated he had been. 5 — He was neither deputy chief of the American Embassy section nor a supervisor in that section. 7 — He was not chief of the American-British Commonwealth section. 8 — He was not a deputy chief of the 7th Department in 1962, as he had claimed.

Solie's report, submitted in October 1968, ran to 283 pages, concluded Nosenko was legitimate, and disputed Bagley on almost every point:

1 — The claimed services of Nosenko in Navy intelligence (naval reserve) are adequately substantiated. 2 — Nosenko was an officer of the American Embassy section of the KGB. 3 — Nosenko was an officer of the 7th Department and was its deputy chief. 4 — Nosenko was deputy chief of the American Embassy section. 5 — Nosenko was chief of the American-British Commonwealth section. 6 — Nosenko was deputy chief of the 7th Department in 1962.

Upon receipt of the Solie report, Adm. Taylor wrote a memo to Helms dated Oct. 4, 1968, in which he said:

"I am *now* convinced that there is no reason to conclude that Nosenko is other than what he has claimed to be. . . . Thus, I conclude that Nosenko should be accepted as a bona fide defector."

From all appearances, Nosenko had been officially accepted as a legitimate defector by the CIA — except for the fact that the agency's top man, Richard Helms, refused to sign his name to such a finding.

TOMORROW: The war continues.

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THE PHILADELPHIA BULLETIN
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The war inside the CIA

This is the third of a five-part, exclusive report on the secret war within the CIA. It is based on Bulletin interviews with intelligence experts, some of whom requested anonymity, and an examination of government records and documents, some never before published.

Infighting snares 2 victims

Agents banished after Soviet defector is cleared

By JOSEPH R. DAUGHEN
and JOHN J. FARMER
Of The Bulletin Staff

The Central Intelligence Agency report clearing Yuri Nosenko as a valid defector succeeded in banishing the Russian's two principal antagonists from their headquarters posts.

But with agency director Richard Helms refusing to sign the report, the secret war over Nosenko's credibility raged on.

Tennent H. (Pete) Bagley, Nosenko's case officer and the man most convinced the Russian was a double agent for the KGB (Soviet secret police), lost his job as deputy chief of the Soviet Bloc (SB) Division and was exiled to Brussels as station chief. David Murphy, the SB chief, was farmed out to Paris as station chief. And they were working for a new boss, John L. Hart, who had been named chief of the Europe Division on his return from Vietnam in 1968.

Hart, a psychologist, was a highly regarded officer who was part of the CIA "establishment" that tended to look askance at Counterintelligence boss James Angleton's zealous pursuit of real or imagined Soviet double agents.

Hart's wife, Katherine, currently CIA deputy station chief in London, had worked previously in the reports section of the SB Division, and had gotten to know the Nosenko case. A CIA employe under her supervision in that section was Maryann Paisley, whose husband, John, was deputy chief of the Office of Strategic Research and an expert on Soviet military capability.

Each of these people would play a role in the bizarre story of the search for the truth about Nosenko and whether a Soviet "mole" (double agent) had, in fact, penetrated the CIA.

John Paisley had been in Frankfurt in 1964, when Nosenko was slipped out to the West through that city, and he had gotten to know the Russian. Paisley's mysterious death a year ago stirred anew speculation that a mole had penetrated the CIA.

But when Hart took over the Europe Division, he knew nothing of the Nosenko case, according to testimony he gave to the House Assassinations Committee last year. And Bagley and Murphy did nothing to enlighten him.

Instead, Bagley continued his fight to discredit Nosenko and, in the process, the CIA's acceptance of the Russian as a valid defector. Without informing Hart, he secretly corresponded with Angleton, criticizing Security Officer Bruce Solie's report clearing Nosenko and warning of the "devastating consequences" of releasing the Russian. Angleton kept quiet about the correspondence, but placed it into the Nosenko files.

The correspondence was still in the files in 1976 when Hart, who retired in 1972, was brought back by the CIA to do still another report on the Nosenko matter. Although the Russian by then had divorced his Soviet wife and remarried (with Bruce Solie as his best man) and was paid handsomely as a consultant by the agency, doubts about his legitimacy and reports of a mole inside the CIA persisted.

In addition, Edward Jay Epstein, an author and a respected critic of the Warren Commission, was working on a book exploring the possibility that Lee Harvey Oswald was a KGB agent and Nosenko a KGB "disinformation" agent. And the House Assassinations Committee was preparing to inquire into President Kennedy's murder, an inquiry that surely would focus on the CIA, Nosenko and Oswald.

Hart's report was to be the CIA's defense against doubts about Nosenko, against Epstein's book, "Legend: The Secret World of Lee Harvey Oswald," which heavily favored the Bagley-Angleton view even though the names of Bagley and David Murphy do not appear in the volume, and against the House committee.

The defense started within the agency itself, where the war continued even though the pro-Nosenko forces already had triumphed. When Adm. Stansfield Turner became director of the agency in 1977, he asked Hart to lecture on the case to CIA officers.

"I do know that Admiral Turner overruled a number of his subordinates in insisting that I personally be brought back to give a series of lectures to all the newly-promoted, super-grade personnel through all parts, throughout all the agency on this subject," Hart said. "... He used the term, our escutcheon has been besmirched by this case, and said that he wanted to do everything he possibly could to see to it that there was never any repetition of this."

Hart said his lectures consumed 4½ hours.

The ferocity of the war became apparent for the first time on Sept. 15, 1978, when Hart testified before the House committee as the CIA's representative. But because the identities of those involved were kept secret, the internal bloodletting escaped the

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[illegible] of the press and the public. It did not, however, escape the notice of CIA insiders sympathetic to Nosenko.

"I understand they were quite concerned about Hart's testimony over at the 'farm' (the CIA's training facility in Virginia)," said one source.

"I don't know why he was so harsh," said another, of Hart's testimony. "He felt that the Angleton-Bagley-Miler (Newton Miler, Angleton's operations chief) troika was guilty of "sick think." That's the phrase he used."

The most curious part of Hart's testimony was that he confessed to knowing nothing about Oswald, which was the principal area of interest for the committee. Instead, he spent his time castigating those who believed Nosenko was lying about Oswald.

"I would say that the agency failed miserably in its handling of the entire case," Hart said. ". . . I have to introduce a word which was used by many persons in the CIA at that time about this whole project, the climate of the time was one of what many people called 'sick think.'"

Hart described SB Division's handling of Nosenko as "sheer bumbling incompetence" and, reading from a paper he said was in Bagley's handwriting (although not identifying Bagley by name), he said the former deputy chief had considered a number of "alternative actions" to be taken in the Nosenko matter.

Among these, Hart said, were: "Liquidate the man." "Render him incapable of giving coherent story." "Commitment to loony bin."

"He appears to have been a man who didn't think without the help of a pencil," Hart said, of Bagley. "Therefore, he wrote . . . his thoughts out as they occurred to him."

Intelligence sources with little affection for Bagley and Angleton found it inexplicable that a CIA representative would bare the family linen as freely as Hart did. But Hart may have provided a partial reason when he discussed the fact that Bagley and Murphy had worked for him but helped keep him in the dark about Nosenko.

"I was never told of their participation in this case," he said. "I was never told that their work on the case had been discredited and had caused them to be transferred out of headquarters to foreign assignments.

"One of (the questions) I asked (Bagley) related to a message from him from a place abroad which had gone around me. I was his chief, but he had sent . . . a message through a channel so that I would not see it, to the chief of the CI staff (Angleton), in which he had commented on the so-called Solie report. . . . I happened to find it in the file."

When former CIA Director Richard Helms testified a week later, he expressed "puzzlement" at Hart's testimony.

"It was almost as though his purpose was to use his testimony before this committee to excoriate some of his former colleagues for the handling of the Nosenko case," said Helms.

On the question of Nosenko and Oswald, Helms noted, Hart "had no clarification to make and nothing to contribute." Asked whom he would recommend as witnesses to the committee, Helms replied, "I would suggest the chief of the Soviet Bloc Division (David Murphy) and the deputy chief (Pete Bagley), who have been maligned here."

Bagley did not wait to be invited. Last Oct. 11, he wrote the committee asking that he be permitted to testify. On Nov. 16, he told his story, but under an assumed name to mask his identity. The hearing at which he testified was secret, closed to the press and, until now his testimony has never been reported.

Bagley recounted Nosenko's claim that he been in charge of Oswald's KGB file and had reviewed his status on three separate occasions — when he applied for permission to live in Russia in 1959, when he applied in Mexico for a Russian visa shortly before the Kennedy assassination, and after the assassination.

"Think how lucky we were to have even one inside source on Oswald inside the KGB (at that time)," Bagley said, scornfully. "Of the many thousands of KGB men around the world, CIA had secret relations with only one, and this one turned out to have participated directly in the Oswald case. CIA was thus unbel[illegible] ably lucky . . . the key word in t[illegible] last sentence is 'unbelievably.'

Responding to Hart's testimo[illegible] Bagley had this to say:

"As Nosenko's principal oppone[illegible] I am made out in public as a mise[illegible] ble incompetent and given cre[illegible] falsely, for murderous thoughts, il[illegible] gal designs, torture and malf[illegible] sance. The CIA had to go far out[illegible] invent these charges, which are [illegible] true. Mr. Hart had to bend facts, [illegible] vent others, and gloss over a [illegible] more, in order to cover me wi[illegible] mud.

"Responsible as I was for [illegible] 'abominable' case, I was called u[illegible] to help find the best way to rele[illegible] Nosenko — without a confession b[illegible] sure that he was an enemy agent.

suppose that I jotted down, one da[illegible] every theoretical conceivable actio[illegible] The fact that 'liquidation' was [illegible] cluded reveals (the notes) were [illegible] retical . . . and entirely persona[illegible]

"One wonders what could [illegible] government agency into the p[illegible] of: Trying to discredit and bur[illegible] der a pile of irrelevancies the r[illegible] sons to suspect that the Soviet Unio[illegible] sent to America a *provocateur* t[illegible] mislead us about the assassin o[illegible] President Kennedy; Misrepresent[illegible] ing, invidiously, its own prior actions; Dredging up unsubstantial personal notes, left carelessly in a highly-secret file folder, to falsely suggest in public the planning by it[illegible] own people of the vilest forms of misconduct."

Bagley denied that he had bee[illegible] transferred because his work h[illegible] been "discredited," saying he [illegible] asked for the Brussels assignm[illegible] And he pointed out that Har[illegible] graded his work as "outstand[illegible]"

The Nosenko case, said [illegible] was "ugly," and imposed "immea[illegible] and unpleasant tasks upon us, an[illegible] strains upon the agency which are all too visible today."

"The case has served me ill, professionally and personally," Bagley said. "But it was there; it would not go away. The burden fell upon me and I did my duty."

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Defector claims Soviet spies infiltrate UN Secretariat

Bulletin Wire Services

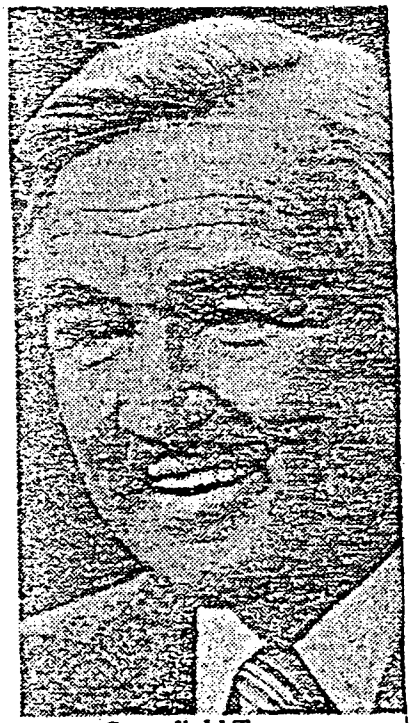
London — A Soviet defector says Soviet spies have made a "very substantial" penetration into the United Nations Secretariat.

Arkady N. Shevchenko, who was the Secretariat's top-ranked Soviet official, said yesterday that New York City has become "the most important base of all Soviet intelligence operations in the world" with perhaps 300 professional KGB (Soviet secret police) officers.

"There is a saying that they consider the UN the tallest observation tower in the Western World for intelligence activity," said Shevchenko, who left his post as under-secretary-general for political and security affairs in April 1978 for U.S. asylum.

"I would say it would be a fair guess it would be the minimum that half are KGB or GRU officers," he said. The GRU is Soviet military intelligence.

One agent, he said, is a special assistant to Secretary-General Kurt Waldheim. The narrator of the British Broadcasting Corp. documentary for which Shevchenko was interviewed said there was only one Soviet with that title: Victor Lessiovsky. Lessiovsky could not be reached for comment last night.



Stansfield Turner
... overruled subordinates

26 September 1979

'Mole' suspicions surfaced with agent's body

The story of the secret war within the CIA is based on Bulletin interviews with intelligence experts, some of whom requested anonymity, and an examination of government records and documents, some never before published. This is the fourth of an exclusive five-part series.

By JOSEPH R. DAUGHEN and JOHN J. FARMER
Of The Bulletin Staff

When the body of Central Intelligence Agency bigwig John A. Paisley floated to the top of Chesapeake Bay last Oct. 1, it carried to the surface with it a barnacle of suspicion that America's intelligence agency had been penetrated by a Russian "mole."

Paisley, 55, had been shot once behind the left ear by a 9-mm. pistol. Belted around his waist were 38 pounds of diving weights. The body was bloated and hairless, the result of submersion since about Sept. 23, when Paisley set off in his 31-foot sailing sloop.

Although it has no official capacity in the case, the CIA has looked into Paisley's death and declared it a suicide. The Maryland State Police, who do have official jurisdiction, according to a spokesman, do not quarrel with that conclusion and have stopped working on the matter.

Agency sources say Paisley reluctantly retired as deputy chief of the CIA's Office of Strategic Research in 1974 after being passed over for promotion, and had been depressed and despondent ever since.

Paisley's family, however, calls it murder. And the family's lawyer, Bernard Fensterwald, told The Bulletin that Paisley never really retired from the CIA and was neither depressed nor despondent. Fensterwald pointed out that Paisley was working on top-secret matters for the agency as a $200-a-day consultant when he died.

Reflecting the Alice-in-Wonderland atmosphere of the case are the contradictory suspicions that it has aroused — one, that Paisley was hot on the trail of the mole; the other, that Paisley himself was working for the KGB, the Russian secret police.

CIA insiders dismiss both theories as James Bond-type fantasizing. While they concede the agency may have been penetrated at a lower level, they insist no Soviet agent has gotten into the upper reaches of the agency.

"I think we'd be damn fools to think there are not moles at various levels of NSA (National Security Agency), State and the Pentagon," one former top-ranking CIA executive told The Bulletin. "And if there are none at the FBI and CIA, it'd be a miracle. But not at high levels."

The long-festering suspicion of a spy in its midst has haunted the CIA for more than 15 years and it was a central issue in the covert internal war that tore the agency apart. At the heart of this issue was the dispute over the legitimacy of Yuri Nosenko, a lieutenant colonel in the KGB, the Russian secret police, who defected to the United States in February, 1964.

Those who believed Nosenko was a plant, such as Counterintelligence chief James Angleton and Soviet Bloc Division deputy chief Tennent H. (Pete) Bagley, were convinced the Russian was dispatched here to divert attention from a KGB double agent working at a high level within CIA.

Nosenko's supporters, who viewed Angleton's preoccupation with the KGB's power as a form of paranoia, accepted the Russian's statement that there had been no penetration of CIA by the Soviets. Their view of the CIA as secure and Nosenko as legitimate had prevailed, and the dissenters had been weeded out — but not silenced.

The mysterious death of John Paisley came just as the CIA establishment was striving to banish once and for all doubts about Nosenko's legitimacy and the agency's integrity. The dead man complicated that effort because, in what appeared to be an amazing number of coincidences, his career had cut across the lives and activities of those involved in the secret war.

No 'dark side' stranger

Paisley had joined the CIA in 1953. The man who recruited him was James Angleton. Although he was employed as a scientific analyst on the agency's so-called "white" side, the Directorate of Intelligence, as opposed to the clandestine side, the Directorate of Operations (dirty tricks), Paisley was no stranger to "dark side" operations.

When Pete Bagley brought Nosenko from Geneva to the United States through Frankfurt in 1964, Paisley was in Frankfurt and met the defector. During Nosenko's three years in a CIA cell, Paisley, who spoke Russian, questioned him and became friendly with him.

As an expert on Russian military capability, Paisley had gotten to know the personnel in the Soviet Bloc Division, including Katherine Hart, chief of the reports section. In fact, Paisley's wife, Maryann, had worked in that section as a Hart subordinate in 1974.

Katherine Hart, now deputy CIA station chief in London, is married to

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John L. Hart, a former high agency official. John Hart prepared the CIA case that supported Nosenko and dismissed as "sheer nonsense" reports that the agency has been compromised.

Among Paisley's effects on the sloop, authorities discovered a telephone book with just two numbers in it. One of the numbers was Katherine Hart's.

As one of CIA's scientific experts on Russian military capability, Paisley helped compile the technical manual for the KH-11 satellite, the most advanced electronic espionage weapon the U.S. has deployed against the Soviet Union. This satellite was to be the core of the system by which the U.S. would determine if the Russians were living up to any strategic arms limitation treaty.

In March, 1978, William Kampiles, a 23-year-old former CIA watch officer, sold the KH-11 manual to the KGB for $3,000, providing the Soviets with the information needed to evade the verification power of the satellite. Kampiles was given a 40-year jail sentence for treason last November. There was never any indication that Paisley was involved.

Paisley served liaison

Paisley also served as CIA's liaison with Team B, a secret group of non-CIA defense experts enlisted by the agency to assess Soviet military strength. Team B, and Paisley, had access to CIA's top-secret material about the Soviet military. When some of Team B's work found its way into the press, some team members reportedly blamed Paisley for the leak. Highly-classified Team B material reportedly was found on Paisley's sloop.

Paisley had separated from his wife the month before his death and had moved from his McLean, Va., home to an apartment at 1500 Massachusetts ave. in Washington, D.C., long the local home of Soviet employes stationed here. The apartment was one block from the Soviet Embassy and a half-dozen Russians had apartments not far from Paisley's.

"He told his wife 1500 Massachusetts was convenient," Paisley family attorney Fensterwald said. "But it was a nest of Soviets. It was wired all ways by both sides."

Fensterwald said that if Paisley killed himself it is "one of the strangest suicides on record." Nothing on Paisley's sloop, investigators concede, indicates a shooting took place there. There was no weapon, no shell casing, no blood or tissue.

For Paisley to have committed suicide, the lawyer said, he had to have shot himself while standing on the edge of the sloop, or while jumping into the water, or while in the water with 38 pounds of weights on him.

Paisley, said Fensterwald, was ambidextrous, so the shot behind the left ear, while unusual for a suicide, would not have been difficult to manage.

"He never retired from the CIA," Fensterwald said. "He had all different types of passports, different covers.

May have detected mole

"The speculation is that he discovered who the mole was and either side (CIA and KGB) would want him for that. We have penetrated the Soviets and the Soviets have penetrated Great Britain. I don't know why we should be immune to penetration.

"Maryann (Paisley) is convinced he was murdered. The Soviets could have zapped him."

As the family lawyer, Fensterwald is attempting to collect for the widow proceeds of life insurance policies on Paisley. The CIA already has paid her $35,000 on one policy, and Mutual of New York has paid $90,000 on another. But other policies, with benefits of perhaps $100,000, contain suicide exclusion clauses and the companies are refusing to pay, said Fensterwald. If necessary, he added, he will take those companies to court.

"Things like that happen to ex-agency people," said a CIA source of Paisley's death. "I don't see anything more than what it appears to be — a suicide."

Another CIA source familiar with the people involved gave this version — which essentially is the official agency version — of Paisley's death:

"He was a high-voltage guy, very tense and hard-working. He was troubled (at) the prospect of retirement. He didn't have anything else to do. It was very upsetting to him. He started to break with his past.

"He left his wife. He became melancholy and depressed. He took up with a woman named Betty Myers, who was into group therapy. Paisley began going to these group therapy sessions with her and he got worse, terribly depressed.

"They sat around and coughed up everything they were ashamed of. They just blurted things out. Then Betty Myers moved to Cumberland, Maryland. Walked out on him. He walked to the boatyard and bought the weights. Everybody's looked into it and concluded it was suicide. The agency, the FBI.

Radio equipment on boat

"There were reports he had sensitive communications equipment on the boat. I asked Bobby Inman (head of the National Security Agency, which monitors electronic traffic) if the NSA had heard about that and he said you're damn right we did. He said they went right over and tossed the boat. He had a lot of sophisticated ham radio equipment, but no classified stuff."

The Senate Select Committee on Intelligence is still investigating Paisley's death to see, among other things, if it can shed any light on the persistent speculation that CIA has been compromised. It is the persistence of this speculation that most annoys agency regulars. And they blame Pete Bagley, James Angleton and the Nosenko case for it.

"According to (Soviet defector Anatoli) Golitsin, the mole was activated in 1958," said a CIA insider with intimate knowledge of the Nosenko case. "If you accept the Golitsin allegation — and Pete Bagley and Angleton accept it — that mole has never been found.

"It means the mole is still active. Which means that every particle of intelligence is possibly contaminated and suspect. That means that nobody can trust anybody. No Soviet defector can ever be safe. It means

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EVENING

is wired at 1500 Mass

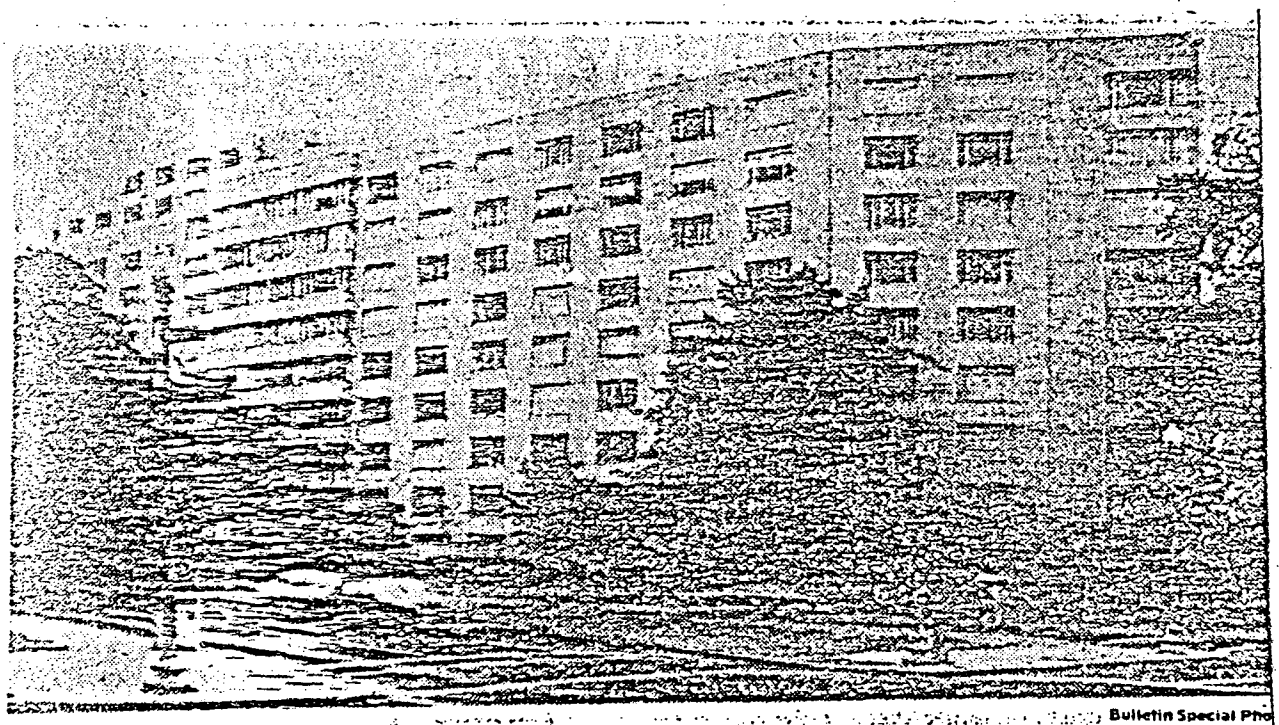
Washington — The nondescript apartment building at 1500 Massachusetts avenue here is not high on the list of Washington's most notable tourist attractions. But it should be.

Situated along a portion of Scott Circle, a block from the Soviet embassy and the offices of the Washington Post, "1500 Mass," as it is known, is home to a host of Soviet embassy employes, many of them members of the KGB, the Soviet secret police, and a meeting ground for intelligence agents of both sides.

A semi-circular building with at least four entrances and containing some 600 apartments — mostly efficiencies and one-bedroom units — it is inhabited primarily by transients, according to one resident.

It was also the last home of John A. Paisley, former deputy chief of the CIA's office of strategic research and a consultant to the agency on a highly sensitive project at the time of his violent death last September.

Bernard Fensterwald, the Paisley family attorney, told The Bulletin that Paisley told his wife, Maryann, from whom Paisley was separated, that he moved to 1500 Mass because it was "convenient." But Fensterwald finds the move suspicious because "it is a nest of Soviets."



Bulletin Special Pho

Apartment building at 1500 Massachusetts ave. in Washington was used by the CIA and Soviet Union.

the Soviets have d[illegible]led knowledge of our verification [illegible]ability and can circumvent it. It changes the world power balance."

This source said such a mole would mean that every case CIA has run in the last 21 years has been known to the KGB. That would include the work of Oleg Penkovsky, a high official in Soviet military intelligence, who worked for the CIA in Moscow from 1960 to 1962 before he was caught and executed.

"And that's just not true," the source said. "He provided us with 10,000 pages of microfilm on weapons design, policy papers, contingency plans, identities of KGB agents.

"Occasionally, he was night duty officer in charge at headquarters and he had access to the archives. He could go into the vault and he could stay there for an hour with his little Minox camera, if he wanted to."

If CIA had been penetrated, this source said, Penkovsky would have been caught immediately. Or, the Soviets would have been using him to feed the U.S. "disinformation."

"But the information was good," he continued. "We checked it out. You try to get the U.S. Air Force to give away information to build a cover for an agent with the Russians. . . . They don't want to do it. You can imagine the Soviet military giving away submarine plans to us through Penkovsky."

No penetration seen

Another CIA source, active in the Western hemisphere for 25 years, said penetration at the top of the CIA would have compromised [illegible] operations he was involved in that succeeded.

"You can never assert unequivocally that the CIA or the FBI has not been penetrated," said an intelligence expert not connected with the CIA. "What you can do is look at what you're getting away with. If you're able to conduct over a significant period of time successful operations with measureable results, then you can reasonably conclude that no hostile agent is being informed of the operation."

A retired CIA executive told The Bulletin that, even though he thinks Nosenko is a legitimate defector, the secret war fought inside the CIA over his credibility did as much damage as if he were a KGB double agent.

"I don't think the Soviets could have planned it that way," he said. "But it did have somewhat the same effect.

"I don't think there's any evidence to support the theory that there's a top level guy that's been turned. But the persistence of that theory is debilitating."

For the CIA establishment, both inside and outside the agency, the questions about Nosenko and the mole have been answered. Nosenko is legitimate. There is no mole.

And while Pete Bagley and James Angleton hold on to their view of the CIA as vulnerable, the intelligence agency has moved on to another kind of battle.

Tipsy Russians shot at their own

During his 18 months as a double-agent, Col. Oleg Penkovsky of the GRU, Russian military intelligence, passed 10,000 microfilmed pages of Soviet secrets to the U.S. and Great Britain.

According to a former CIA officer involved in the case, Penkovsky supplied not only sensitive military information but material sometimes tinged with gossip.

"Penkovsky was the GRU duty officer on May 1, 1960, when Francis Gary Powers was shot down (in a U-2 spy plane)," this officer said. "The Russians were a bit embarrassed at Powers trial. They insisted they fired only one rocket to bring the plane down.

"But Powers said he saw another parachute coming down when he landed. The Russians glossed over that at the trial."

The CIA man said he asked Penkovsky about it and Penkovsky said the SAM operators were all drunk — "It was May Day, and they fired off all their SAM missiles and knocked down one of their own MIGs."

Penkovsky worked for the West in Moscow from 1961 until Dec. 11, 1962, when he was arrested. He was executed by a firing squad on May 16, 1963.

Cloak-and-dagger agents bath

By JOSEPH R. DAUGHEN
and JOHN J. FARMER
Of The Bulletin Staff

Washington — Obscured by the clamor over the presidency that preoccupies this city today, an equally desperate struggle is being waged in out-of-the way private offices and in quieter corridors of the government over the future of the Central Intelligence Agency.

It is a kind of guerilla war in which those determined to alter the present policies and top personnel of the CIA — mostly former agents in the old clandestine service, the cloak-and-dagger, subversion and stiletto crowd — are rarely photographed or quoted publicly.

But they are a busy and available bunch nevertheless, and they have made it clear to Bulletin interviewers what their goals are:

— A revival of the CIA's legendary clandestine capability, virtually suspended, they claim, since the mid-1970s.

— The rejection of attempts by Congress and the Carter Administration to enact a specific "charter" that would define — and therefore limit — CIA activities and impose strict (intrusive, say its opponents) congressional scrutiny.

— The ouster of the man they feel most responsible for the curtailment of clandestine activities, retired Navy Adm. Stansfield Turner, the CIA director.

Unstated, but by clear implication, their goals include an even larger target — Turner's boss and mentor, President Carter.

Where the fratricidal war over whether Yuri Nosenko was a legitimate defector or a Soviet plant preoccupied the CIA of the past, it is the fight over a "charter" and CIA clandestine capability that dominates the debate over its future.

"This Administration started with a virtually complete stand-down on covert and aggressive intelligence collection," said a retired operative who was once one of the top officials in the CIA. "They are relying on satellite and diplomatic reporting."

And that is not enough at a time of growing Soviet military might, he declared.

The war inside the CIA

"We know more about Russian capabilities, installations, missile sites and weapons than any country has ever known about a potential adversary," he continued. "But we know nothing about their intentions. And we won't know that until we get into the dark alleys.

"There is an urgent need in the Pentagon for information not about weapons deployed or tested, but what's on the drawing boards. You don't get that from satellites, but by subverting people in the labs."

Turner severely crippled this capability, his critics among the old guard maintain, when he summarily dismissed at least 400 employes of the clandestine branch soon after taking office in 1977.

Those cashiered included American officers with networks of contract agents among Eastern European and Asian ethnic groups, experts in subversion, infiltration and allied deadly arts. In most cases, these agent networks were the product of long and patient personal relationships and they perished with the dismissal of their American case officers.

Today, many of these former officers, scattered about Washington in government agencies and private offices, form a resourceful cadre determined to fend off any "charter," bring down Carter — and, in the process, Turner — and restore the kind of CIA they believe is needed to counter growing Soviet influence in Europe and the Third World.

Some have obtained other government jobs. Others are lawyers, lobbyists, writers, even real estate agents. One ex-CIA officer reported running into William (Billy) Wells, former deputy director for operations (the clandestine services) on the golf course shortly after Wells had been sacked by Turner and learning that Wells had gone into real estate.

"Wouldn't you think the country's chief spook could have gotten a more interesting retirement job?" he said.

Whatever their new roles, these men and women, like the alumni of a college that was once a football power but has fallen on leaner times, are united by the desire to restore their alma mater's lost luster.

So concerned are they that, in an unusual move for "spooks," some have gone public under the banner of the Association of Former Intelligence Officers (AFIO), with offices in nearby McLean, Va. David Phillips, a former CIA officer who formed AFIO, concedes that some of the firings were justified, that "bureaucracy" had become a problem even at Langley. But the housecleaning went beyond curbing the bureaucracy, he insisted.

"The CIA is less effective than it was 10 years ago," Phillips declared.

Despite the firings, he said, bureaucracy of a different kind still burdens the agency. Turner, he said, is aloof, hidden behind a "barrier he has built around himself," a reference to the flotilla of Navy brass he brought into the agency with him.

In addition, Phillips said, the agency is hog-tied so far as covert operations are concerned by the requirement of the Ryan-Hughes amendment to the 1974 Foreign Aid act that eight congressional committees be notified of any such undercover projects.

He cited three cases: The Moslem revolt against the Marxist regime in Afghanistan, the Aldo Moro murder-kidnaping in Italy, and the overthrow of the shah of Iran.

"The Italian government asked for help when Aldo Moro (former Italian premier) was kidnaped," Phillips said. "It wanted help finding him and it turned to the agency. Before, the Rome station would have just gone out and done it. But they worried so much and had so many meetings that before anything could be done, Aldo Moro was dead."

Similarly, the CIA was barred from channeling arms to the rebels

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in Afghanistan because "there is no way a covert action is going to remain a secret today," Phillips said. "The only way to do it is not to inform Congress."

In the critical days before the shah's collapse, the chief spokesman for the Ayatollah Khomeini in Paris, an American physician, "was on the phone to Tehran 10 times a day," Phillips noted.

"Before, there would have been a unilateral tap put on his phone," Philips said, "but because he's a U.S. citizen, a doctor from Houston, and because of the executive order against tapping citizens, nothing was done."

Several ex-CIA officers insisted there has been no significant covert action since about 1974.

Phillips' unhappiness with the current administration — in the White House as well as at CIA — is vividly displayed on the bumper of his car. It bears a sticker proclaiming the merits of Republican George Bush — a former CIA director — for president.

Phillips' views prevail throughout the intelligence community, as this comment by one of the agency's former top executive to a Bulletin reporter indicates:

"It is widely believed in the intelligence community — and I believe it to be true — that when Walter Mondale was asked to run for vice president, he said he wanted a commitment from Jimmy Carter to clean up the intelligence agencies.

"It is believed that he got that commitment, and that's how Admiral Turner comes to be in the position he's in. A lot of good men were sacrificed, thrown out."

Turner, according to this source, is "a victim of circumstance, a victim of the prevailing theology" that has linked the excesses of the CIA and the FBI in the 1960s to Watergate, the surveillance of U.S. citizens, and the erosion of American standing around the globe.

Bush, CIA director for a short period under President Gerald Ford and now a candidate for the Republican presidential nomination, took much the same view when questioned by The Bulletin.

"Jimmy Carter talks about the CIA and Watergate in the same breath," he said. "And that's David Aaron's view."

Aaron, a close advisor to Mondale is now Carter's deputy national security advisor and, with Carter and Mondale, had the last word on the reorganization of American intelligence agencies in January, 1978.

What emerges from interviews with the agency old guard is that, far from being apologetic about the CIA's past, they feel the agency has been maligned by the President, press and Congress. But it is also clear they believe the climate is changing in their favor, largely because of Soviet strategic missile gains and muscle flexing in Africa and the Third World.

The old guard, the apostles of a resurgent CIA, have taken the offensive.

As evidence, there is the public defense of the agency on the Op Ed pages of the Washington Star by Jack Maury, for 28 years a CIA officer and later assistant secretary of defense. He attacked the "irresponsible zeal of the American media in exposing secrets," and accused it of having created "myths regarding the CIA of the past," that it was a "rogue elephant" beyond the control of Congress or the President.

These "myths," he wrote, have already generated pressure for "cures worse than the disease, legislative restrictions and public exposures which would damage the agency's effectiveness even more than it has been damaged already."

Far from being a "rogue elephant," Maury wrote, the CIA is in danger of becoming a blind one, in keeping with what he said was a KGB officer's description of the Soviet goal — "to put out the eyes of our enemy by discrediting and disrupting his intelligence service."

There are signs that agency's advocates are winning their struggle. One proposed CIA "charter," sponsored by 30 senators, never got out of committee, after AFIO spokesmen testified that, if enacted, it would virtually rule out any future covert capacity for the CIA.

The Carter Administration is working on a "charter," but in its current embattled condition, the Administration has given the project low priority and could pass from office without ever resolving the issue, a result the CIA old guard would cheer.

They would like to see the decision in friendlier hands, such as Bush's.

One measure of the new confidence felt by the agency's advocates is that they are no longer content merely to fend off a restrictive charter. They are now pressing aggressively for legislation that would imprison American intelligence officers who "kiss and tell" — writing books or articles or holding press conferences that disclose intelligence "methods or sources." Presumably, this provision would have jailed such former CIA officers as Frank Snepp, Philip Agee and John Stockwell, who have gone public with names of officers or details of agency operations.

Further, the old guard wants any "charter" to limit congressional scrutiny and preserve the secrecy of CIA funds.

John Warner, former counsel to the CIA and a man who for years handled agency funds for covert operations, insisted to The Bulletin that "there has been no effective covert action" since the Hughes-Ryan requirement in 1974 requiring advance notice to eight congressional committees.

According to Warner, who is coordinating AFIO's work on the charter, the CIA's alumni would be happy to see final authority for the agency's action exclusively in the hands of the president, as it used to be.

Ironically, CIA officers themselves have laid much of the blame for past agency excesses — such as CIA operations to disrupt elections in Chile — on past presidents. But they are also aware that clandestine operations are more likely to be carried out with success and security if they agency reports only to the White House, not to eight publicity-hungry congressional committees.

"The ability to conduct clandestine activities fundamentally rests on secret funds," Warner said. "Why tie a president's hands by statute? Why not leave the ability to act to the president?"

The struggle over the future of the CIA is only just beginning. And while the tide seems to be turning in the agency's favor as memory of Watergate and the Vietnam war recedes and the fear of Russia rises again, liberals in the Senate and the American Civil Liberties Union are unlikely to give up attempts to rein in the agency.

It's not an issue that will be decided this year — though this was the target year for a CIA charter. Nor is it likely to be decided next year in the heat of a presidential election. And it looks less likely than ever that it will be decided by Jimmy Carter.

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CIA surprised at request

JFK asked for 007 type

CIA officers, nostalgic for the time when the agency operated without outside restraints, often illustrate how it was in "the good old days" by telling stories. Some of the tales are amusing, some are incredible, some are both.

A retired CIA operative recalled that when John F. Kennedy became President in 1961, he let it be known that he was a great fan of the James Bond spy novels. But this information did not prepare the CIA for a request it received from the White House: Bring a James Bond type over to the Oval Office; the President would like to meet him.

"Our first thought was, 'Now, what the hell are we going to do?' " the CIA officer remembered. "Then we thought of Bill Harvey. We called him Bill 'Three Martini — Two Doubles' Harvey."

A huge man, Harvey was perhaps CIA's most flamboyant operator in the 1960s. In his book, "Honorable Men," former CIA Director William Colby refers to Harvey, disapprovingly, as a man who wouldn't go anywhere without packing a pistol.

"Harvey always had his own gun and they fixed him up with another one in an ankle holster and shipped him over to the White House," the CIA story-teller continued. "He got all the way to the Oval Office before the Secret Service stopped him and asked if he was armed.

"Harvey said, 'Of course,' and he took the gun off his hip. Then he removed the gun from his ankle. The door to the office was open and he said he could see Kennedy staring at him, his eyes open wide. Harvey loved it."